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HOUSEWARES SHOW
SPECIAL COVERAGE

Discount Store News®
THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

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Housewares Outlook Bullish For 2nd Half

Customers are spending money; they're spending it on housewares, and discounters and catalogers, already reporting strong first-half gains, are revving up for major sales increases during the second half and Christmas selling.

With most basic programs in place, many discounters will be working the July show with an eye toward continuing to trade up their housewares areas in fashion appeal, price points and resource structure.

The object is to hang on to the traditional discount store customer base—which also means searching the show for sharp Christmas promotions—while continuing their efforts to snare more affluent customers, and potential defectors from the department stores.

Over the past year—undaunted by the recession—many chains have made major changes in the physical selling environment of their housewares areas with beneficial sales results. Among them:

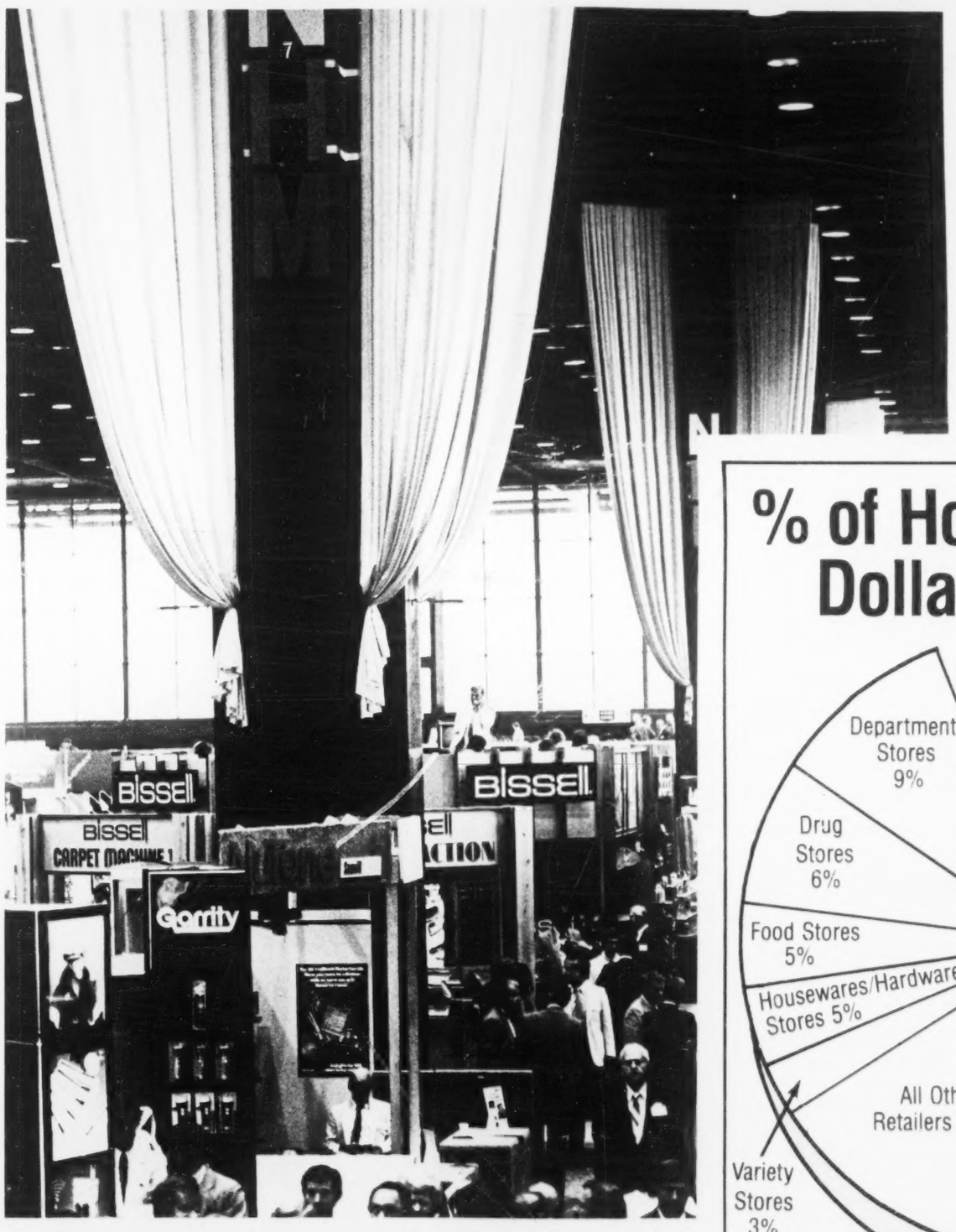
—Gaylords debuted a new prototype store in the New Orleans market with 4,500 sq. ft. for housewares, more than double the traditional 2,000-sq.-ft. space allocation.

—Richway recently completed a 25% space expansion for its housewares department with the majority of that space being given to trade-up.

—Bradlees, which began its housewares upscaling two years ago, continues to break new ground in merchandise presentation with each new store opening. Its East Hanover, N.J., store, for instance, opened with a new home store layout. It includes a Table Top department (see photo) which includes kitchen/table textiles and a Living Shop which serves as a bridge between housewares and the domestics areas.

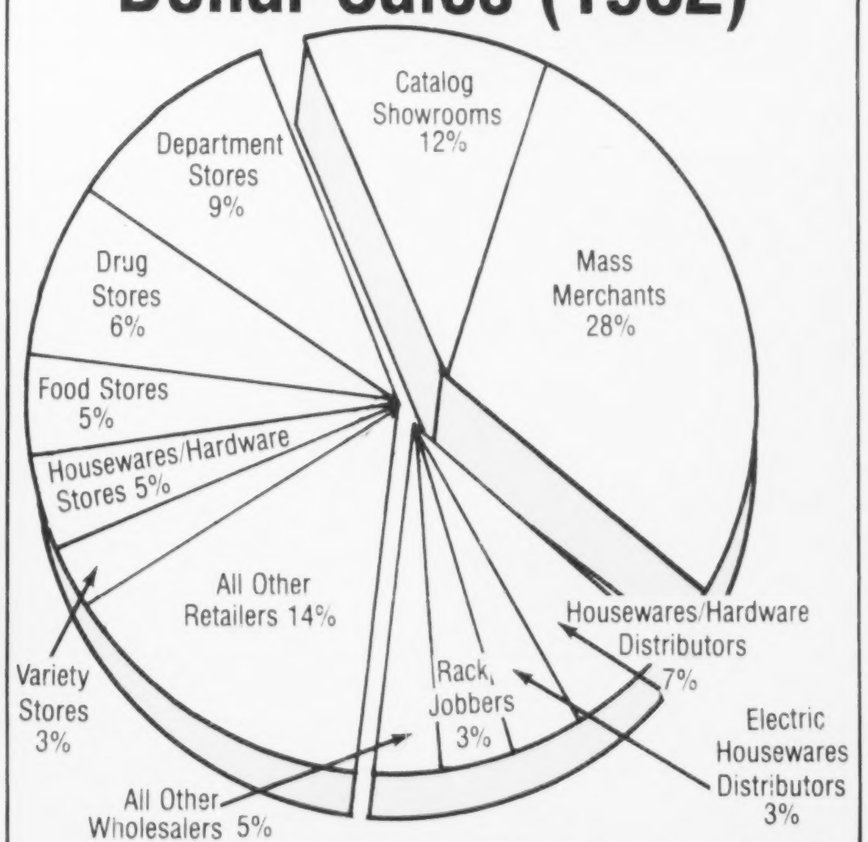
For many chains there's a growing trend toward treating housewares as a fashion area to home in on the advantages of that approach: higher-margin potential, increasing the customer base, and moving away from being a carbon copy of rival discount stores.

At this, the 79th semiannual housewares show, the last to be held on the January/July schedule, many discounters and catalogers will continue to approach manufacturers who have heretofore been reluctant to sell to them. With each passing season, their "big pencils" may become harder to resist.



The National Housewares Manufacturers Association is calling its July event "the most important summer show in the NHMA's 44-year history" since the next industrywide gathering is nine months away, in April 1984.

% of Housewares Mfrs.' Dollar Sales (1982)

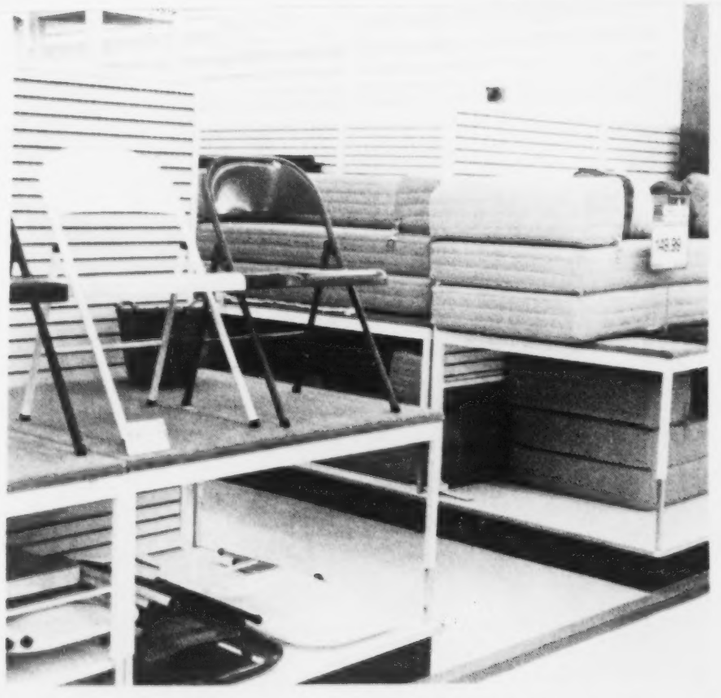


Source: National Housewares Manufacturers Association

Displays, Mixes Are Changed to Widen Fashion Appeal

Bradlees continues to fine-tune its "home store" concept; the chain's latest thinking is shown in the East Hanover, N.J., store which opened in March. The Table Top department debuted in this unit with Bradlees incorporating, for the first time, all kitchen and table textiles in the same area as dinnerware and glassware. The idea is to group merchandise the way customers use it at home.

Prange-Way moved housewares from the back to the front of the store in its new prototype in Green Bay, Wis., and increased its space from 5% to 7½% of the total store. Prime real estate is given the new hostess/serving area, shown here, located to the right of the store entrance. The reason for the change: Prange-Way is after a younger, more contemporary customer for this lifestyle category.



With its recent move to the West Coast, Target showed its ability in adapting to local markets. For instance, the lifestyle furniture area, shown here in San Diego, also features futons—Japanese fiber-filled sleeping mats. White slat-backed partitions are used to segment and highlight such furniture categories as metal folding chairs, flip-sofas, and large wicker trunks and storage baskets. *(DSN photos)*

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Hills' Jelin to House: Don't Cripple IDBs

WASHINGTON—Many discount chains would be forced to drop new-store expansion plans if Congress imposes further restrictions on the availability of small-issue industrial development bonds, Hills Department Store vice president Stephen Jelin told the House Ways and Means Committee.

Testifying on behalf of the National Mass Retailing Institute, Jelin pointed out that "of our present 105 stores, 17 have been built with industrial development bonds" (IDBs) and "most of these probably wouldn't have been built at all, had IDB financing not been available."

Stressing that Hills isn't an isolated case in the retail industry, Jelin noted that "with continuing high interest rates plaguing the United States economy" many "NMRI members have found small-issue IDB financing an increasingly important means to finance store expansion."

IDBs are tax-exempt private purpose bonds, which carry below-market interest rates, and are used by state and local governments to encourage business investment in their community.

According to Rep. J. J. "Jake" Pickle (D-Tex.), who introduced legislation severely restricting the use of these bonds, "IDBs have bred like rabbits or stray cats in the past few years," increasing from $4.9 billion in 1975 to $40.9 billion last year.

"When we drop these many

(Continued on page 110)

POS Hardware Expanded In Stores; Scanning Gains

By BRENT FELGNER

Discounters are quickening their expansion of point-of-sale (POS) technology—despite lingering questions about which, if any, front-end scanning system should be used.

The continuing lack of an industry standard for scanning has brought the chains down on all sides of the issue. Two primary systems, UPC (Universal Product Code) and OCRA (Optical Character Recognition, font A), remain in a heated competition for discounter acceptance. UPC is generally given the edge because of its frequent use by vendors.

Although some mass merchants remain undecided, competitive pressures combined with moderating costs and signs of economic recovery have prompted many others to move ahead on front-end improvements.

At some chains—such as Gold Circle and Target—the emphasis has been on pushing the technology to its limits.

Just this month, Gold Circle launched a new expansion of its POS system that will result in full price look-up capability for its 70,000 sku's, along with velocity coding.

Velocity coding assigns a three-digit register code to the top 1,000 volume sellers, instead of the 15- or 16-digit sku number normally keyed into the terminal. The immediate benefits are greater speed and accuracy on the front end.

Selected data—mostly in women's apparel—is being captured by IBM point-of-sale terminals at Mars Stores, as in Chicopee, Mass. There are currently no plans to install scanning devices. *(DSN photo)*

At the same time, the chain will begin installing "next-generation" holographic scanners by IBM, which also supplies its terminals and mainframe computer, according to James Guinan, chairman.

When the work is completed

(Continued on page 105)

Digest July 11, 1983

CATALOG SHOWROOM NEWS

- **Coordinator MAI's first show draws 126 execs.** **(p. 15)**

HOUSEWARES

- **Key discount chains, uplifted by the resurgent economy, are** redoing departments in anticipation of a strong second half. (Special section, pp. 23-100)

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SSC: Powerful Retailer Besides Liquidator

First of a two-part series. Next: Value City Stores.

By ARTHUR MARKOWITZ

COLUMBUS, Ohio—To most retailers, Jerome Schottenstein is an enigma.

Generally, when people hear the name, they think of the man who handled some of the nation's biggest merchandise liquidations, for W. T. Grant, Food Fair, Robert Hall Village, Korvettes, among others.

Only a handful of people realize the 56-year-old businessman has used his phenomenal memory and calculating abilities to turn a small family business into a conglomerate that is a combination midwestern retailing powerhouse and turnaround specialist as well as the country's major retail liquidator.

Schottenstein offers to buy major interest in HRT. p. 7.

"He's in a class by himself," a one-time top executive with the now-defunct Korvettes chain said of the robust Columbus native.

Others, like a New York City bankruptcy court judge, noted his "computerlike mind." In liquidation biddings, the judge and others who have seen him work say he's quick with numbers, able to put together big deals in his head.

Thus, "you have to really know what you are doing because Schottenstein knows his business very well. If you aren't careful, he'll end up with a better deal than you intended him to have," said an executive with the Food Fair (now the Pantry Pride) supermarket chain.

Schottenstein, however, feels the big name liquidations have been a mixed blessing—they have overshadowed his other accomplishments.

"When I'm involved in a liquidation sale," he told *DSN*,

(Continued on page 100)

Schottenstein

Company	Business	Stores	Sales (Millions)	Schottenstein Ownership
Schottenstein Stores Corp.	Parent company	—	$290.6	100%
Value City Stores	Discount stores	27	200.0	100
Value City Furniture	Furniture stores Factories	25 5	60.0 —	100
Strauss Stores R&S	Auto accessory stores	22 18	35.0	93
Valley Fair Widmann	Discount stores H&BA stores	2 29	31.0	65
Penn Merchandising	Garden centers	9	13.0	57
Levine's	Junior department stores	7	9.6	50
Condominium Conversion Partnership	Condominium conversions	—	—	67
Weiboldt Stores	Department stores	14	179.1	15
Shonac	Shoe stores leased departments	40 160	80.0	50
Silverman's Men's Wear American Eagle	Young men's wear Outdoor apparel	70 30	50.0	50
Automotive Merchandisers of Texas	Parent company	—	—	40
Fourth St. Auto Merchants Air Cargo	Auto supply store Freight forwarders	1 —	3.5 2.5	— —

Sources: DSN research; Schottenstein Stores Corp. report for fiscal year ended July 31, 1982. (Information is for latest available fiscal year, which isn't the same for all the firms, unconsolidated subsidiaries and partnerships.)

Schottenstein Stores Corp. (SSC) and family holdings are a far-flung empire with operations ranging from midwestern discount stores to an overseas freight forwarding firm.

Jerome Schottenstein

HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TABLE TOP			
1	T20-82 Cornerstone 20-pc set, China Blossom	1,058	86.39	91,400.62
2	16-4 Corelle 16-pc set, gold	2,301	32.84	75,564.84
3	T21-81 Cornerstone 20-pc set, Royal Garden	732	86.39	63,237.48
4	T20-85 Cornerstone 20-pc set, Belle Grove	728	86.39	62,891.92
5	Corelle 16-1 16-pc set, green	1,736	32.84	57,010.24
6	Corelle 16-23 16-pc set, mb	1,635	32.84	53,693.40
7	Corelle 16-5 16-pc set, blue	1,524	32.84	50,048.16
8	2020-13 Expressions 20-pc, Meadow	632	65.69	41,516.08
9	Corelle 16-6 16-pc set, Woodland	1,262	32.84	41,444.08
10	2020-12 Expressions 20-pc Indian Sm	558	65.69	36,655.02
11	2020-7 Expressions 20-pc Wildflower	462	65.69	30,348.78
12	Corelle 16N 16-pc set, white	924	32.84	30,344.16
13	2020-16 Expressions 20-pc Strawberry	448	65.69	29,429.12
14	T20-86 Cornerstone 20-pc set, Glenora	318	86.39	27,472.02
15	3216-34 Dimension IV 16-pc set slt	520	44.99	23,394.80
	GLASSWARE			
1	Anchor Hocking 3600/672A Entertainer set 40 pc	1,432	30.59	43,804.88
2	Libbey 81837T 18-pc Capri set Tawny	902	14.39	12,979.78
3	Libbey 81837D 18-pc Capri set blue	884	14.39	12,720.76
4	Libbey 8476 Tulip Grande 9-oz	4,920	2.33	11,463.60
5	Libbey 82437D bl Country Squire 24 pc	354	29.69	10,510.26
6	Libbey 81837K 18-pc Capri set gold	693	14.39	9,972.27
7	Libbey 8464 Citation 8-oz wine	6,052	1.61	9,743.72
8	Libbey 82486B 24-pc Bolero blue	524	17.99	9,426.76
9	Libbey 82486T 24-pc Bolero Tawny	522	17.99	9,390.78
10	Libbey 214 New Wheat bev 4 pk	2,172	3.95	8,579.40
11	Libbey 8425 Citation Pilsner 12 oz	4,320	1.79	7,732.80
12	Libbey 376T Tawny bev 4 pk	1,949	3.86	7,523.14
13	Anchor Hocking 2152CV/240 Roses bev 4 pk	1,542	4.85	7,478.70
14	Libbey 379T Tawny cooler 4 pk	1,715	4.31	7,391.65
15	Anchor Hocking 225/3109E cry sham 9 oz	10,380	0.71	7,369.80

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COOKWARE			
1	Ekco 64110 Baker's Secret cookie sheet	7,277	4.22	30,708.94
2	Ekco 64330 Baker's db cake pan	7,449	3.77	28,082.73
3	Ekco 64100 Baker's cookie sheet	7,147	3.77	26,944.19
4	Ekco 64200 Baker's 12-cup muffin	4,542	4.49	20,393.58
5	Ekco 64260 Baker's roast/bake	3,725	5.21	19,407.25
6	Ekco 54110 cookie sheet	5,344	2.69	14,375.36
7	Ekco 64470 Baker's loaf pan	4,154	3.41	14,165.14
8	Ekco 64080 Baker's cookie sheet	4,349	3.05	13,264.45
9	Mirro C5509/2292CN 9-cup perk	1,532	7.73	11,842.36
10	Ekco 64590 Baker's pizza pan	2,871	3.77	10,823.67
11	Ekco 54330 roasting pan	4,351	2.33	10,137.83
12	Mirro 7993/143 3-qt colander	1,879	5.39	10,127.81
13	Mirro M0932-35 teakettle 2½ qt, gold	1,699	5.93	10,075.07
14	Ekco 54100 cookie sheet	3,983	2.51	9,997.33
15	Hillside HM60SP spring form pan	1,438	6.74	9,692.12
	MICROWAVE			
1	Corning MW-2 grill	1,221	29.69	36,251.49
2	Corning MW-11 browning grill	1,347	18.71	25,202.37
3	Corning MWA-10 covered browning skillet	834	28.79	24,010.86
4	Rubbermaid 8534 cook set 8 pc	551	39.59	21,814.09
5	Anchor Hocking PM469/Ti bacon rack	2,903	7.37	21,395.11
6	Anchor Hocking PM400-127 set Hadi	490	36.89	18,076.10
7	Anchor Hocking PM400/126 corn popper	1,066	13.49	14,380.34
8	Corning MW116 5-pc set	411	33.29	13,682.19
9	Corning MC4 2½-qt oval dish	624	16.82	10,495.68
10	Corning MW-360 set	196	52.19	10,229.24
11	Corning MW101 set	359	27.44	9,850.96
12	Anchor Hocking PM481/T1 versatility	1,256	7.37	9,256.72
13	Anchor Hocking PM444/T1 cookie sheet	1,187	7.37	8,748.19
14	Corning MR1 rack	765	11.06	8,460.90
15	Anchor Hocking PM447/T1 muffin tin	1,160	7.19	8,340.40

(Continued on page 46)

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Cosco is the leader in step stools. With more years of experience than all the major competitors combined. Cosco offers unsurpassed quality and the most complete line you'll find anywhere.

But we don't stop there. We're taking steps to make your selling easier. With new and innovative self-sell, six-pack merchandisers. Ready to use with four color point-of-sale.

Keep in step with Cosco.

PMA

PRODUCT MOVEMENT AUDIT

Top Makers Cut Prices On Promos

By HAROLD RUBIN
President,
HalMar Distributors

Housewares business has been excellent in most chains in the New England area with many buyers reporting percentage increases larger than total store gains. There was some slowup in stocking shelves early in June, the traditional reaction as buyers work down any inventory residue following heavy spring promotions.

The focus of promotions during the first half was on basic merchandise from the major national brands. Uncertain of continuing economic improvement early in the year, the strategy was to play it cautiously. Although these promos were successful, there may be some change during the second six months of the year. Given a brighter economic outlook discounters will become somewhat more adventurous.

The emphasis will be on basic categories, but many chains will also be testing the waters with higher price points.

A characteristic of the housewares business becoming more and more evident is the stiff competition among major manufacturers selling to the discounters. With the number

(Continued on page 46)

MACAP Names Fetterman Chmn.

CHICAGO—Dr. Elsie Fetterman has been elected chairman of The Major Appliance Consumer Action Panel (MACAP), an independent, industry-sponsored panel of professionals who review consumer problems with major appliances.

She's assistant director of the Cooperative Extension Service for home economics at the University of Massachusetts.

MACAP, which handles appliance problems that aren't resolved at the dealer/manufacturer level, is sponsored by the Association of Home Appliance Manufacturers, the Gas Appliance Manufacturers Association and the National Retail Merchants Association.

Fetterman has been serving on the MACAP panel since its establishment in 1970. She said most appliance complaints are handled routinely by companies' own internal systems. The majority of complaints received by the panel relate to out-of-warranty service, delays for parts or service, excessive service charges or alleged defective appliances.